

Headquarters U.S. Air Force

Integrity - Service - Excellence

Air Force Acquisition Update



**Lt Gen Mark Shackelford
Military Deputy
Office of the Asst Secretary of the Air
Force (Acquisition)**

**DoD Acquisition Insight Conference
26 April 2011**



DoD Better Buying Power

U.S. AIR FORCE

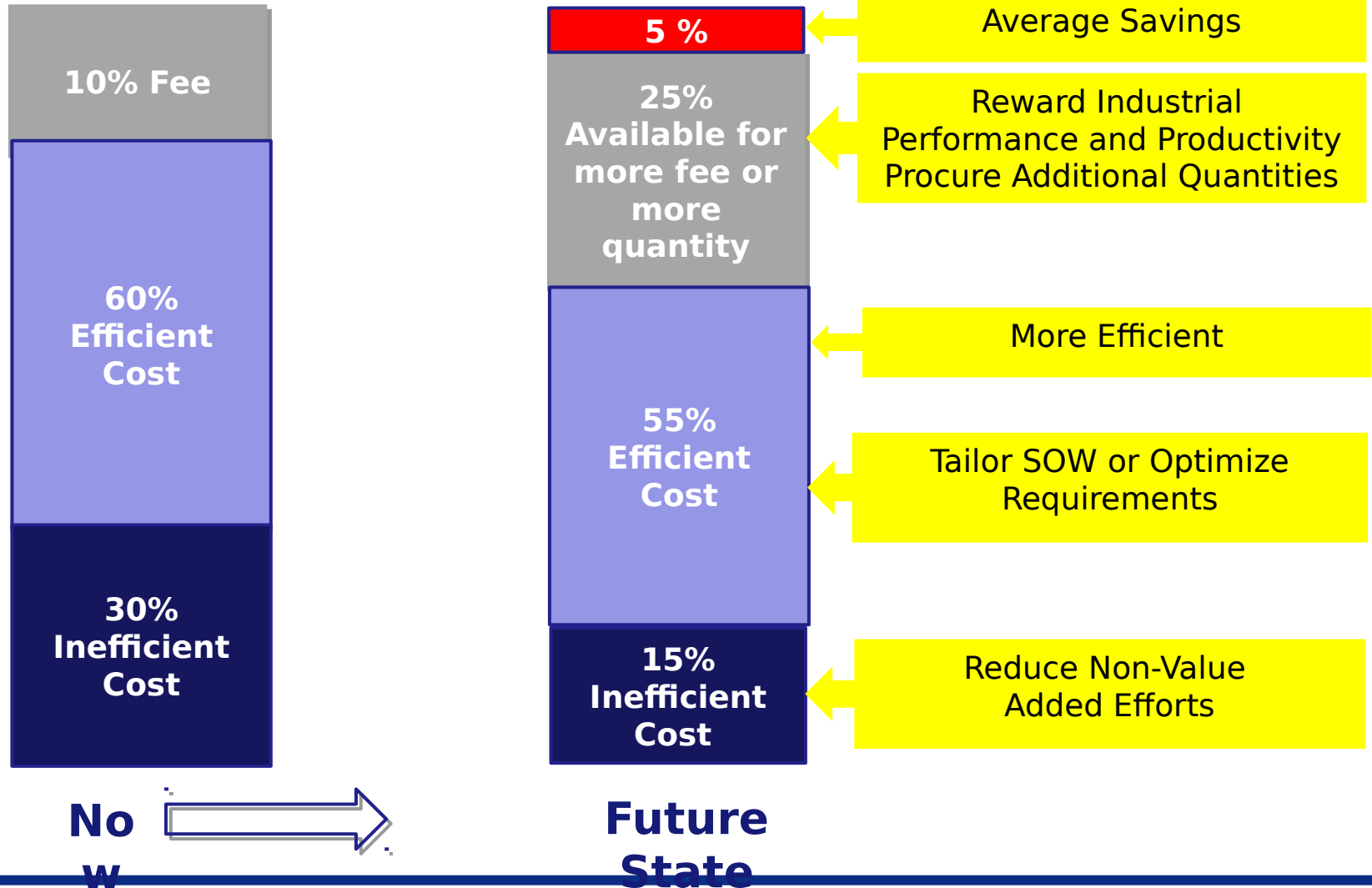
- **SECDEF tasked AT&L to improve the way the Department acquires critical defense goods and services, which together account for \$400B of the approx \$700B annual Defense budget**
- **AT&L issued Guidance to obtain greater efficiency and productivity in defense spending**
 - **Targeting affordability and cost growth control**
 - **Incentivize productivity and innovation in industry**
 - **Promote real competition to drive productivity**
 - **Improve tradecraft in services acquisition**
 - **Reduce non-productive processes and bureaucracy**
- **Emerging Acquisition Themes**
 - **Affordability / Should Cost**
 - **Competition**
 - **Contracts**
 - **Incentives**

I n t e g r i t y - S e r v i c e - E x c e l l e n c e



U.S. AIR FORCE

Acquisition Future State Objective



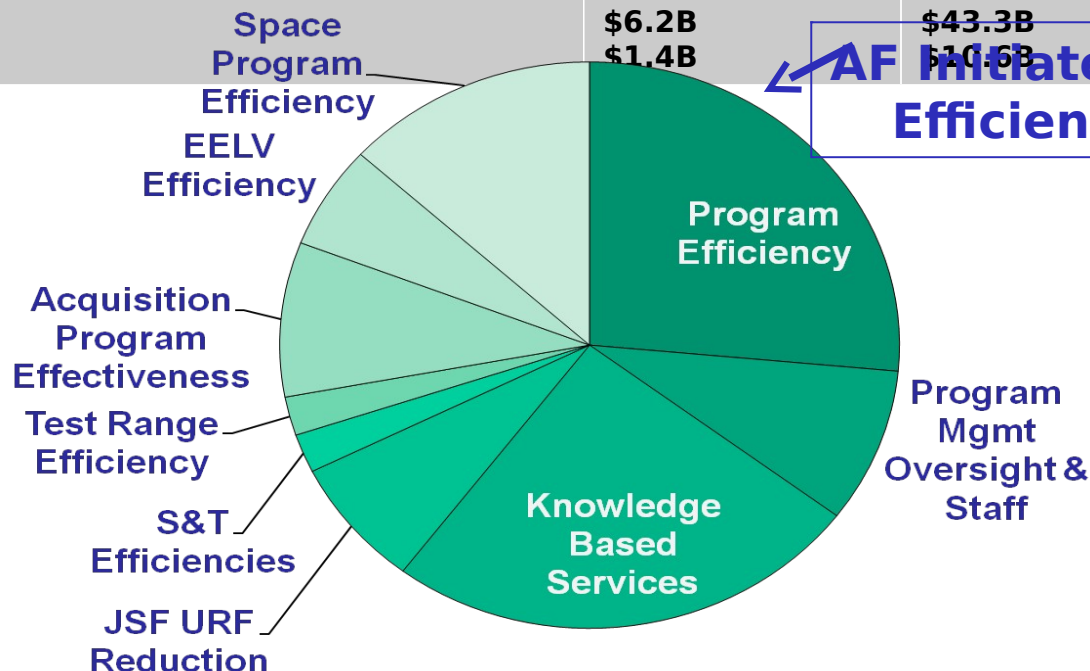
Integrity - Service - Excellence



U.S. AIR FORCE

Efficiencies and Enhancements

Efficiencies	FY12	FYDP
AF Initiated	\$3.4B	\$33.3B
AF Acquisition	\$1.2B	\$9.5B
Dept Wide	\$2.8B	\$10.0B
AF Acquisition	\$.2B	\$1.1B
Total	\$6.2B	\$43.3B



Reduce Excess Overhead Costs and Apply Savings to Force Structure, Modernization, and Readiness



U.S. AIR FORCE

Maximizing the Purchasing Power of Taxpayer Dollars

- **Examples how competition effectively reduced life cycle costs**
 - **AF Central Command CLS and Reconfiguration (ESC)**
 - **Fair Opportunity resulted in two Delivery Orders valued at \$18.3M**
 - **Projected savings: \$9.7M**
 - **Large A/C Infrared Countermeasures on C-5s (ASC)**
 - **Sole Source to competitive**
 - **Projected savings: \$8.7M (\$27.5M life-cycle savings)**
 - **Small Diameter Bomb II EMD and Production Lots I-V (AAC)**
 - **Instant savings: \$70.3M**
 - **Hard Target Void Sensing Fuze (EMD) and Lots I-III**

Implementation of DoD Better Buying Power Initiatives is Contagious

utilized

- **Award \$76M under Gov't Estimate**



U.S. AIR FORCE

AQ Efficiency

Small Diameter Bomb II

Overview:

- First all-weather standoff weapon for moving targets
- Enabled by Tri-Mode seeker and dual-band datalink
 - Denies enemy's sanctuary in weather



Competitive Prototyping:

- Completed 43-month competitive fly-off
 - Contractors demonstrated a TRL-6 weapon
- Competitive prototyping enabled “fly before buy”
- EMD down-select based on actual test results, not paper designs

Roadmap to Fielding:

- MS B and EMD contract award Aug 2010
 - Successful CDR only 5 months later
- Developmental test starting late FY11 with F-15E
- Raytheon to deliver first All-Up-Round 2Qtr FY12
- MS C 3Qtr FY13 -- F-15E Full Capability in FY17

EMD Cost Sharing:

- 75/25 ratio for EMD underrun and overrun
 - EMD: FPI(F) contract
 - Target Price @ 15% Profit
 - Ceiling Price @ 130% Target Cost
- Ensures Government & Contractor teaming

Integrity - Service - Excellence

